

~~SECRET~~

NSC BRIEFING

5 September 1956

POLITICAL CRISIS IN JAPAN

- I. Foreign Minister Shigemitsu's return to Tokyo this week, to report on the deadlocked Japan-Soviet treaty negotiations, has brought out into the open a political storm which presents the Hatoyama Government with a serious crisis.
 - A. The dispute arises out of a conflict within the conservative Liberal-Democratic Party, which heads the Government, over the action Japan should take now that its negotiations with the USSR have been stalemated.

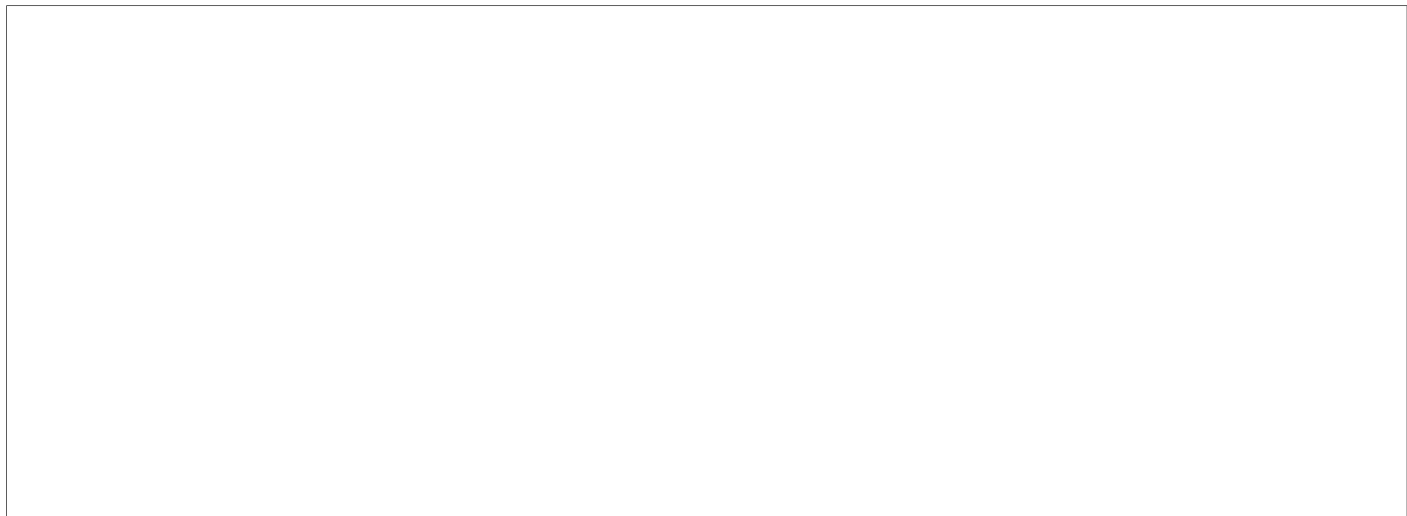
25 YEAR RE-REVIEW


B. This conflict is being intensified by a bitter struggle for control of the party in expectation of Premier Hatoyama's long-promised retirement.

1. Some Liberal-Democrats see the impasse with the USSR as a golden opportunity to force Hatoyama's retirement.

II. The present dissension centers on whether to accept the present Soviet terms, reject them, or send Hatoyama himself to Moscow in an attempt to reach some compromise.

III. The treaty negotiations are now stalemated over the Soviet demand that Japan recognize a line drawn between Hokkaido and the southernmost Kurile island (Kunashiri) as the boundary between the two countries. This, in effect, would acknowledge Soviet sovereignty over the complete Kuriles chain.



 Japanese government, the leaders of the Liberal-Democratic party and the Japanese public all seem to be as firm in opposing Soviet sovereignty over the Southern Kuriles as the USSR is in claiming it.

25X1

25X1

IV. As to the fight over succession within the Conservative Liberal-Democratic party, Hatoyama has often asserted that the restoration of diplomatic relations with the USSR would crown his career, and that he would then be willing to retire. Each faction in the L-D Party wants to be in a position to take Hatoyama's mantle when he retires.

- A. There is some genuine fear that Hatoyama, in his eagerness to restore Japanese-Soviet relations, might sell Japan down the river in Moscow.
- B. Hatoyama's opponents are even more fearful, however, that his Moscow trip might result in a triumphant compromise that would strengthen his faction's control of the party.

- C. There is some danger that the present crisis will permanently split the one-year-old Liberal-Democratic coalition. Most observers believe, however, that the coalition will ride out the crisis.
1. Japan's ruling conservatives are unwilling to face another general election, lest their political opponents, the now-united Socialists, make even further gains.
 2. This conservative fear of the Socialists, in the last analysis, will probably prevent a breakup of the Liberal-Democratic party.

3. A cabinet reshuffle, possibly including the removal of Foreign Minister Shigemitsu, may be the means by which the present crisis is overcome and a measure of Liberal-Democratic Party unity restored.